



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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June 21, 2010

TO: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe
Auditor-Controller

SUBJECT: FISCAL YEAR 2009-2010 CASH FLOW PROJECTION

Attached is the latest cash flow projection for the General Fund and the Hospital Funds. The estimated June 30, 2010 combined cash balances for the General Fund and Hospital Funds are positive \$300 million. This amount has been increased by \$77 million from the previous month's estimate. As discussed below, the actual May 31, 2010 combined cash balances exceeded the projected amount by \$231 million. We expect at least \$77 million of this favorable variance for May 2010 to carry forward through the end of June 2010.

Hospital Funds' Cash Flows

The Hospital Funds rely on General Fund advances for cash flow. The advances are intended to provide cash flow to the Hospitals until accounts receivable are collected. As of May 31, 2010, the General Fund cash advances to the Hospitals were \$1.276 billion, an increase of \$86 million from the previous month. There are large cash receipts projected for the Hospitals this month and the General Fund cash advances are expected to be slightly lower by June 30, 2010. However, as discussed in last month's cash flow memo, the cash advances to the Hospitals are at historically high levels. We are continuing to work with the Chief Executive Office and the Department of Health Services to monitor Hospital collections for all major programs.

Short-Term Outlook

Our previous report estimated the May 31, 2010 cash balances at positive \$241 million. The actual cash balances were positive \$472 million. The difference of \$231 million was primarily due to higher than expected collections in the areas of social services (\$134 million) and mental health services (\$86 million).

We will report the County's year-end cash position in next month's report. If you have any questions, please contact me, or your staff may call John Naimo at (213) 974-8484.

WLW:MMO:JN:CY:leh

Acctg/Admin/Admin/cfp2

Attachment

- c: William T Fujioka, Chief Executive Officer
- Mark J. Saladino, Treasurer and Tax Collector
- Sachi A. Hamai, Executive Officer, Board of Supervisors
- John F. Schunhoff, Ph.D., Interim Director, Department of Health Services
- Audit Committee
- Public Information Office

**GENERAL FUND
HOSPITAL FUNDS
MONTHLY CASH FLOW PROJECTION**
(in thousands)

Description	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	
	July 2009	August 2009	September 2009	October 2009	November 2009	December 2009	January 2010	February 2010	March 2010	April 2010	May 2010	June 2010
General Fund :												
Beginning Cash	\$ 1,101,527	\$ 1,594,708	\$ 1,086,472	\$ 841,446	\$ 674,134	\$ 274,995	\$ 531,471	\$ 594,512	\$ 214,654	\$ (169,894)	\$ (90,175)	\$ 427,453
Receipts	2,255,783	612,598	927,277	1,149,976	786,838	1,914,737	1,793,690	899,353	965,046	2,008,129	1,872,409	2,386,513
Disbursements	(1,762,602)	(1,120,834)	(1,172,303)	(1,317,288)	(1,185,977)	(1,658,261)	(1,730,649)	(1,279,211)	(1,349,594)	(1,928,410)	(1,354,781)	(2,513,966)
Month End Cash	\$ 1,594,708	\$ 1,086,472	\$ 841,446	\$ 674,134	\$ 274,995	\$ 531,471	\$ 594,512	\$ 214,654	\$ (169,894)	\$ (90,175)	\$ 427,453	\$ 300,000
Hospital Funds :												
Month End Cash	22,063	27,789	15,014	16,011	13,958	16,919	11,115	9,942	18,701	20,163	44,129	0
Total Month End Cash	\$ 1,616,771	\$ 1,114,261	\$ 856,460	\$ 690,145	\$ 288,953	\$ 548,390	\$ 605,627	\$ 224,596	\$ (151,193)	\$ (70,012)	\$ 471,582	\$ 300,000